

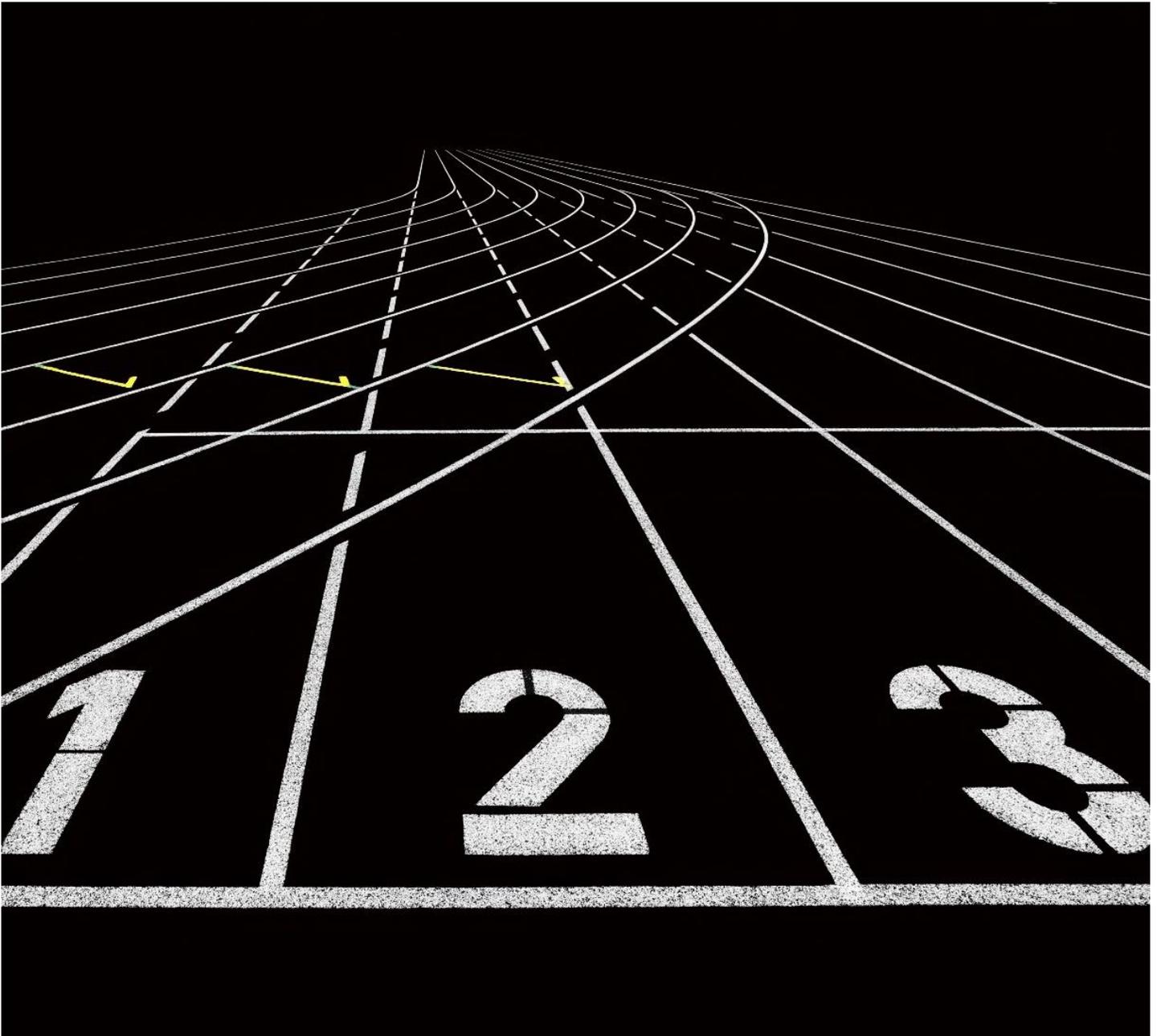


2021 ANNUAL REPORT

YEAR IN REVIEW

WINDSOR PORT AUTHORITY

www.portwindsor.com



PORT WINDSOR A STEWARD OF PROSPERITY

We are the advocate and catalyst for our marine transportation resources as an engine of economic and social prosperity, and environmental protection and security. We will transform the future of the Windsor-Essex region as a hub of integrated international transportation.

MESSAGE FROM THE CHAIR



The year 2021 marked the 22nd year of the Windsor Port Authority operating under the Canada Marine Act.

COVID19 continued to interfere with our daily routines, lifestyles and of course commerce. As 2021 progressed, a sense of normalcy began to return and optimism that the pandemic restrictions would soon wane, and all would be well again. Alas, we continue to cope, albeit with less fear and uncertainty.

Throughout these trying times, more than 850 workers continued their work within the Port. Ships continued to stop for fuel, salt continued to be mined and shipped out, soya beans continued to be processed, steel/aluminum continued to be delivered, the truck ferry continued to shuttle goods between Windsor and the USA and aggregates continued to pour through the Port. As a result, our winter roads were salted, our cooking oil plentiful, our infrastructure projects progressed, all contributing to the economic well-being of the Windsor-Essex Region.

The seafarers on these ships, the workers in our terminals, the staff of Port Windsor who kept us open and operating, these too continued to work tirelessly throughout this pandemic. In support of these workers and their families, Port Windsor applied for and was approved to participate in the Provincial Antigen Screening Program and was able to obtain and distribute screening kits throughout the Port, aiding in the effort to keep families safe and businesses open.

We continue to apply determined efforts in support of our Vision to “**Connect Windsor-Essex to the World**”, and our Mission to “**Create an International, Integrated Transportation Hub**”.

Our Strategic Plan focuses on opportunities for sustainable economic growth, environmental and community-based prosperity, effective stakeholder relations and partnerships within the Windsor-Essex region. The Port is a partner and the essential link between government, industry and customer and serves as the catalyst that provides awareness, opportunity and removes barriers to success.

In 2021, we also maintained our commitment to community through the following initiatives:

- Mission to Seafarers donation for continued support for the seafarers that enter Port Windsor
- Scholarships for students of the University of Windsor and St. Clair College
- A monetary donation as well as 100 waterproof blankets and toques were donated to Family Services Windsor – Essex in support of their outreach programmes to ensure health and safety of homeless citizens
- Donation to the local Coats for Kids program
- United Way Summer Eats program had Port Staff handing out food boxes to the community in support of local families
- Gift cards were donated via Windsor Transportation Club in support of Children’s Aid Society Windsor-Essex
- Hiatus House Shine the Light Campaign sponsorship

As a Board, we recognize the importance of on-going strategic development to continue to promote economic and environmental sustainability within our operations. That includes our on-going effort to realize the recently announced transfer of the Ojibway Shores property to Parks Canada for inclusion of a permanent natural heritage site for generations to come. The Port has been actively seeking out alternative properties in support of economic development for Windsor-Essex.

On behalf of the Board, I am deeply appreciative for all your contributions to the success of the Windsor-Essex community, the vibrancy of our marine economy, and the health of the citizens that we all serve.

*Walter Benzinger, Chair
Federal Director*

BOARD OF DIRECTORS



Anthony Mascaro
Vice Chair
Municipal Director
(2015)

Karen Behune Plunkett
Port User Director
(2018)



Remy Sirls
Port User Director
(2021)

Tom O'Brien
Port User Director
(2018)



Tom Porter
Port User Director
(2015)

Sophia Chisholm
Provincial Director
(2021)



MESSAGE FROM THE CEO



In the spirit of our journey to reconciliation, we would like to honour the truth of our shared history and acknowledge that our service region is located on the traditional territory of the Three Fires Confederacy of First Nations, comprised of the Ojibwe, the Odawa, and the Potawatomie. For those of us in Leamington, we acknowledge the traditional territory of the Caldwell First Nation. We are grateful for the opportunity to live and work here and are thankful for the generations of people who have taken care of this land for thousands of years.

The year 2021 was to be the year of recovery from COVID, where we would shed the last vestiges of the pandemic and return to the norms of pre-2020. Well, just as we were all too optimistic about the pandemic ending in just months back in 2020, COVID in 2021 continued to be a persistent malice. However, science brought us miracle vaccines made with cutting edge RNA-technology in record time, and our health care system initiated mass vaccination clinics. By year-end, several of us were protected with two shots, and heading to our third. Masks had become a way of life.

Similarly, the 850 people who attend work each day at Port Windsor also demonstrated their resilience throughout 2021. It was not without challenges, but the Port never closed, and never turned away a ship. These community heroes continued to deliver the goods and products necessary for our economy and prosperity.

In my 2021 report, I commented that while Canada-wide 2020 port statistics are not yet available, in 2019 the Port of Windsor was dead last in Revenues per Tonne, last in Operating Income per Tonne, and in the bottom of the pack for both Year-over-Year Revenue Growth, and 5-year Revenue Growth. Reliance on investment income to ensure we exceed break-even operations was not a sustainable business model.

I committed that the Port will be reviewing this question of long-term financial sustainability as a key component of its Strategic Plan.

In 2021, we undertook extensive consultations with our customers to review our fiscal challenge of sustainability and the capacity to invest in future prosperity. We were transparent with both our financial position, and the gap between Port Windsor and the marketplace. We listened carefully to the feedback and adjusted our approach to an implementation schedule of three-years versus a single year. We further back ended the weighting of the implementation in recognition of immediate contractual obligations of our customers. And finally, we committed to a 5-year proposed schedule (subject to annual CPI adjustments) to be reviewed against market conditions every five years. **And, Port Windsor will still have the lowest Tariff of Fees of any federal port in the Great Lakes-St Lawrence Seaway.**

The Board approved the new schedule for implementation beginning January 1, 2022.

This new plan will enable the Port to end its reliance on investment income and generate the capital needed to maintain its facilities and invest in new productive capacity. It will further our ability to promote Port Windsor and assist our customers in attracting new business. Finally, it will ensure Port Windsor has the capacity to manage unexpected demands and take advantage of key opportunities.

While Operating Revenues in 2021 were stable, some Expenses were not incurred due to COVID restrictions for travel and business development. Better than expected returns from Investment Income once again represented more than 50% of our Net Income. Overall, the port reported a Net Income of \$424,749 (versus \$210,833), or only 2.43% ROA. Port Windsor is also once again last in Revenues/Tonne, last in Income/Tonne, last in Year/Year Revenue Growth, and last in 5-year Revenue Growth.

The new sustainability strategy will correct this situation over time. It will also position Port Windsor to meet its national obligation and role to be an engine of growth and prosperity for our region, and Canada.

A complete financial report is provided in the 2021 Audited Statements, and is available on the Port's website, or by request at our office at 3190 Sandwich St.

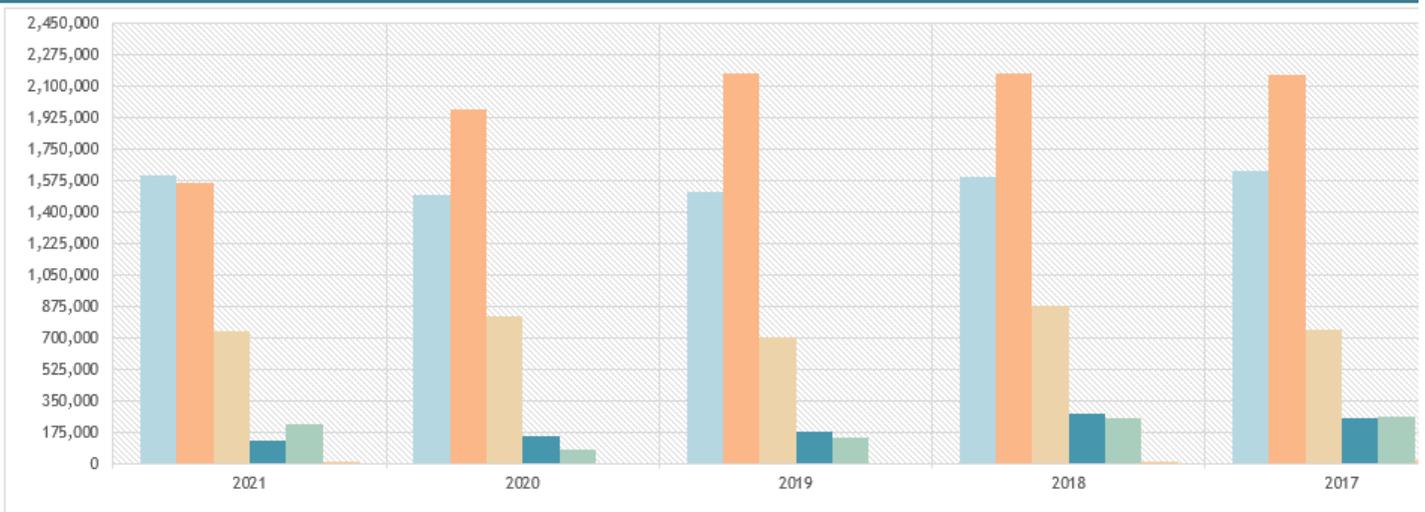
Steve Salmons
President and CEO

2021 STATISTICS

Overall, the Port realized a robust 2021 performance given the many supply-chain and human resource challenges experienced as a result of the continuing impacts of the COVID-19 global pandemic and ensuing implications. Total 2021 tonnage was down 6.07% compared to 2020 tonnage.

| COMMODITY | 2021 | 2020 | 2019 | 2018 | 2017 | 5 YR AVG | YR/YR % CHANGE |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Aggregates | 1,603,965 | 1,498,712 | 1,511,898 | 1,597,497 | 1,628,424 | 1,568,099 | 7.0% |
| Salt | 1,559,735 | 1,971,750 | 2,170,558 | 2,170,791 | 2,164,902 | 2,007,547 | -20.9% |
| Grain | 732,800 | 822,912 | 707,434 | 878,533 | 748,708 | 778,077 | -11.0% |
| Petroleum | 127,485 | 156,169 | 180,795 | 277,629 | 256,924 | 199,800 | -18.4% |
| General Cargo | 221,621 | 82,044 | 145,810 | 252,503 | 259,289 | 192,253 | 170.1% |
| Other Dry Bulk | 3,484 | - | - | 2,980 | 22,689 | 5,831 | - |
| TOTAL TONNAGE | 4,249,090 | 4,531,587 | 4,716,495 | 5,179,933 | 5,080,936 | 4,751,608 | -6.6% |

TOTAL ANNUAL TONNAGE



COMMUNITY OUTREACH

The Port of Windsor is proud to be an active member of the Windsor-Essex community. Windsor Port Authority considers community-based prosperity as one of its strategic priorities, and as such recognizes its role within the community and proudly reinvests 3% of its annual revenues within Windsor-Essex.

Community contributions are a core value for the Windsor Port Authority. For more than two decades, Windsor Port Authority has partnered with numerous organizations to provide sustainable economic and community-based prosperity. Highlights from the past two decades include:

- Partnerships with Windsor Police to provide marine-based safety and security
- Creation of community spaces including Prosperity Place and Queen's Dock
- Economic expansion of Sterling Fuels and Miller Aggregates terminals through a \$10 million Federal Infrastructure Grant
- Sponsorship of various community events
- Annual financial sponsorship for Mission to Seafarers
- Annual contributions to various organizations within Windsor-Essex focused on addressing need
- Partnering with schools and community-based organizations to provide information about the Port of Windsor and opportunities to learn about water safety.

2021 COMMUNITY CONTRIBUTIONS

Needless to say, many organizations and residents of Windsor-Essex continued to experience challenges during 2021 as a result of the pandemic. While adhering to public health measures, the Windsor Port Authority continued efforts to support its community.

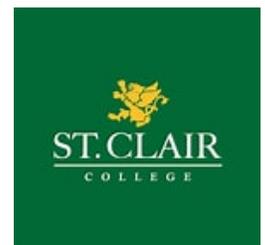


Port Windsor participated in the **United Way/Centraide Windsor-Essex County** drive thru, pick up Summer Eats Program in support of providing families with 500 boxes of healthy snacks, fruits and vegetables weekly throughout the summer. The program runs through July and August. Please consider supporting this initiative in 2022 by visiting www.weareunited.com/summereastforkids



University
of Windsor

Port Windsor is pleased and committed to support the community's university and college students by providing annual scholarships to assist students with offsetting the costs of post-secondary education. Studies continuously indicate that higher education is directly correlated to individual economic success.



Port Windsor recognizes the valuable and important work of the numerous community-based organizations that support, in meaningful ways, the various ‘at-risk’ populations they serve. The Windsor Port Authority’s support to those organizations in 2021 included:



Family Services Windsor-Essex: A city committee recently called homeless “a national crisis arising from a lack of adequate support for housing, mental health and addictions”. The Port recognized this as a serious matter and contacted Family Services Windsor-Essex to obtain assistance with the distribution of 100 warm toques and water proof blankets. Port Windsor also made a financial contribution to support the outreach programme of Family Services Windsor-Essex.



Hiatus House has served the community since 1976 when it first opened with a nine-bed facility on California Ave. This past November, the Windsor Port Authority was one of several organizations to sponsor their “Shine the Light” awareness campaign. The Port’s office was decked out in purple lights, sponsored a billboard and attended the kickoff ceremonies to support this important community focused organization.



Each year, before the snow begins to fall, our community rallies together to ensure children and youth are warm through the winter. **UHC Hub of Opportunities** operates the local Coats for Kids program whereby coats are distributed to those in need in November each year. The Port Authority provided financial assistance towards this program for the purchase of brand-new coats as the UHC Hub was unable to take in gently used coats due to pandemic restrictions.



The Windsor Transportation Club was supported in 2021 with a donation of \$1,000 in gift cards from the Windsor Port Authority for its 3rd Annual Supply Chain Christmas fundraiser to support local children and were distributed through

Windsor-Essex Children’s Aid Society. The Windsor-Essex Children’s Aid Society is dedicated to the well-being and safety of every child by advocating for, and partnering with, our children, families and communities.



Windsor Port Authority Statements of Operations and Changes in Equity

Year ended December 31

2021

2020

| | | |
|---|---------------------|---------------------|
| Revenues | | |
| Leases | \$ 756,618 | \$ 747,793 |
| Cargo and harbour dues | 400,278 | 232,291 |
| Wharfage | 311,852 | 482,536 |
| | <u>1,468,748</u> | <u>1,462,620</u> |
| Expenditures | | |
| Administrative and general (Note 6) | 928,001 | 918,449 |
| Operating costs (Note 7) | 253,664 | 254,372 |
| Depreciation | 144,390 | 218,758 |
| Gross revenue charge | 36,595 | 33,223 |
| | <u>1,362,650</u> | <u>1,424,802</u> |
| Earnings before other income/(expenses) | <u>106,098</u> | <u>37,818</u> |
| Other income/(expenses) | | |
| Gain (loss) on disposal of property and equipment | 128,309 | (26,537) |
| Investment income | 231,809 | 199,552 |
| Capital project write-off | (41,467) | - |
| | <u>318,651</u> | <u>173,015</u> |
| Net income | <u>\$ 424,749</u> | <u>\$ 210,833</u> |
| Surplus, beginning of year | \$ 4,842,461 | \$ 4,631,628 |
| Net income | <u>424,749</u> | <u>210,833</u> |
| Surplus, end of year | <u>\$ 5,267,210</u> | <u>\$ 4,842,461</u> |

Windsor Port Authority Statement of Financial Position

December 31 2021 2020

Assets

Current

| | | |
|---------------------------------|----------------|----------------|
| Cash | \$ 440,026 | \$ 467,209 |
| Short term investments (Note 8) | 2,020,111 | 595,932 |
| Accounts receivable (Note 9) | 233,339 | 468,915 |
| Prepaid expenses and deposits | <u>134,073</u> | <u>136,917</u> |

Total current 2,827,549 1,668,973

Long-term

| | | |
|----------------------------------|------------------|------------------|
| Investments (Note 8) | 8,107,107 | 8,860,675 |
| Property and equipment (Note 10) | <u>4,051,816</u> | <u>4,083,053</u> |

Total non current 12,158,923 12,943,728

Total assets \$ 14,986,472 \$ 14,612,701

Liabilities

Current

| | | |
|--|---------------|---------------|
| Accounts payable and accrued liabilities (Note 11) | \$ 192,518 | \$ 228,137 |
| Current portion of deferred lease income | <u>86,319</u> | <u>84,628</u> |

Total current 278,837 312,765

Long-term

| | | |
|---------------------------------|----------------|----------------|
| Deferred lease income (Note 12) | <u>822,663</u> | <u>839,713</u> |
|---------------------------------|----------------|----------------|

1,101,500 1,152,478

Equity

| | | |
|---------------------|------------------|------------------|
| Contributed surplus | 8,617,762 | 8,617,762 |
| Surplus | <u>5,267,210</u> | <u>4,842,461</u> |

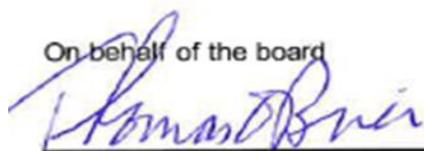
Total equity 13,884,972 13,460,223

\$ 14,986,472 \$ 14,612,701

Commitments (Note 13)

Contingency (Note 14)

On behalf of the board



Director



Director

Windsor Port Authority

Statement of Cash Flows

Year ended December 31

2021

2020

Increase (decrease) in cash

Operating

| | | |
|---|----------------|----------------|
| Net income | \$ 424,749 | \$ 210,833 |
| Items not affecting cash | | |
| Depreciation | 144,390 | 218,758 |
| (Gain) loss on disposal of property and equipment | (128,309) | 26,537 |
| Capital project write-off | 41,467 | - |
| | <u>482,297</u> | <u>456,128</u> |
| Change in non-cash working capital items | | |
| Accounts receivable | 235,576 | 127,059 |
| Prepaid expenses and deposits | (38,623) | (25,774) |
| Accounts payable and accrued liabilities | (35,619) | 95,280 |
| Deferred lease income | (17,050) | (20,589) |
| | <u>626,581</u> | <u>632,104</u> |

Investing

| | | |
|--|------------------|------------------|
| Net change in investments | 125,112 | (196,776) |
| Purchase of investments | (2,601,284) | (50,000) |
| Proceeds on sale of investments | 1,807,252 | - |
| Purchase of property and equipment | (257,344) | (87,238) |
| Proceeds on disposal of property and equipment | 272,500 | - |
| | <u>(653,764)</u> | <u>(334,014)</u> |

(Decrease) increase in cash

(27,183) 298,090

Cash

| | | |
|-------------------|-------------------|-------------------|
| Beginning of year | <u>467,209</u> | <u>169,119</u> |
| End of year | <u>\$ 440,026</u> | <u>\$ 467,209</u> |

ECONOMIC STEWARDSHIP



SOCIAL STEWARDSHIP



ENVIRONMENTAL STEWARDSHIP

